

97-2

31 March 1980

25X1A NOTE FOR: [REDACTED]

From: [REDACTED]

Subject: Candidate Topics for Analysis in the Production Sphere

1. Coming up with a list of potentially worthwhile production-related analyses isn't much of a problem. There are lots of candidates, or so it seems to me. Coming up with an analytical plan of procedure is, however, an altogether different matter, since that requires some sense of which topics are most promising (i.e., where to start), and that in turn implies some kind of firm prior sense of structure. In other words, we need more than a list of study topics; we need a systematic arrangement, so that we can relate the individual, necessarily bite-sized, studies we and others do to the total process, and to each other.

2. This, no doubt, sounds utopian, and I can't prove it isn't. But to show you what I mean, I've tried to arrange candidate topics (gleaned from the writings of the DCI, RMS management, the Congressional committees, and the program managers and monitors) against a hurried, admittedly crude, characterization of the intelligence "production" (in an economic sense) process. Additionally, I've tried to describe my perception of the thrust of the analysis that might be done on each topic by using three labels: prescriptive, descriptive and definitional. Prescriptive means the analysis would be aimed directly at developing and resolving topical issues in immediate support of the budget preparation process. By descriptive, I have in mind more general, less normative, statistically-oriented studies designed to provide management with basic parameters about production activities: what goes in, what comes out, and from where. These kinds of studies would be more useful to resource management in a strategic, rather than a tactical, sense. The short paper I recently did on periodicals is an example of a descriptive study. Another is the "External Contract Support" piece [REDACTED] and I did last year. Definitional studies would be one step further removed from budget preparations. They would aim at

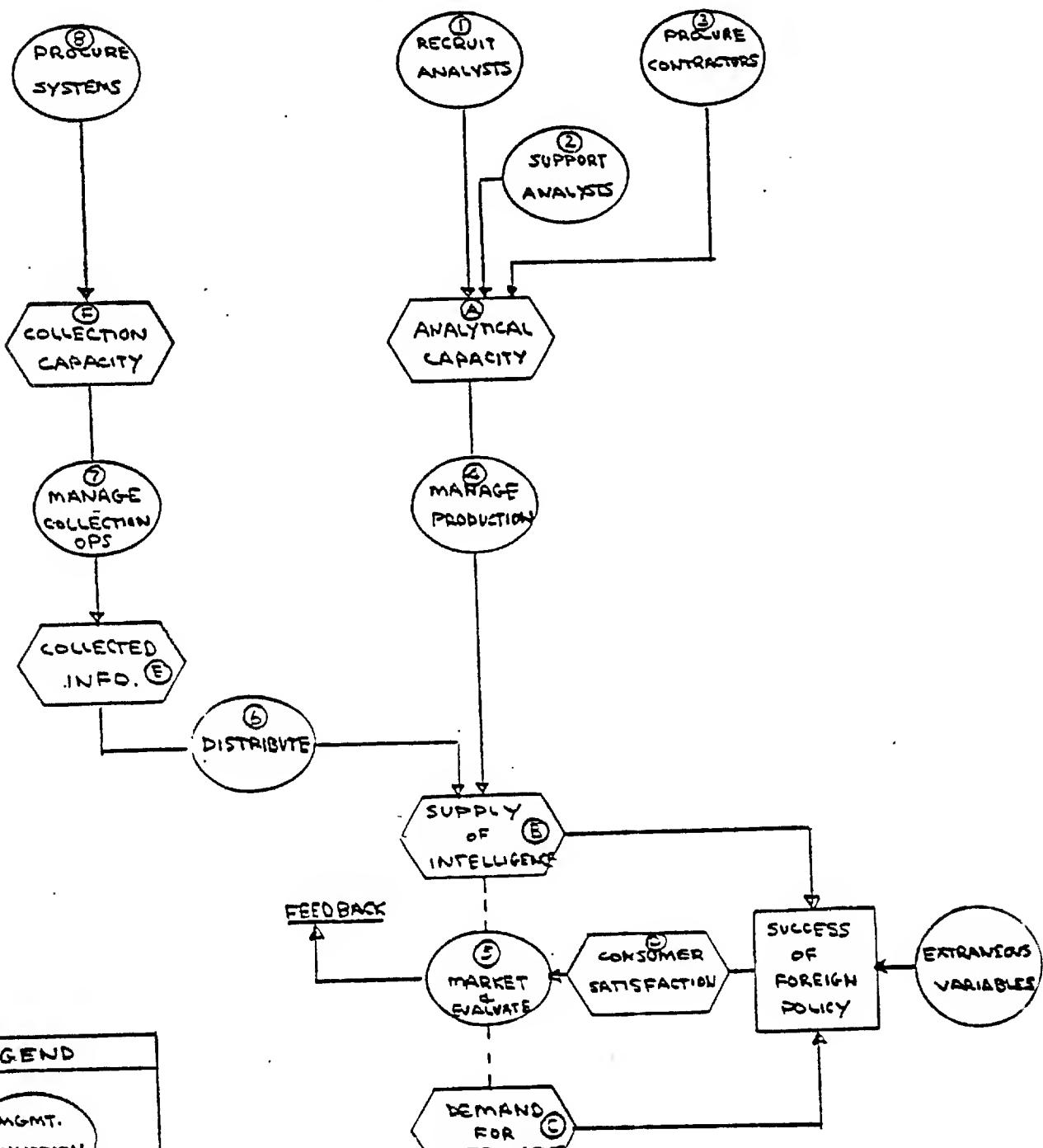
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developing the kind of basic understanding of relationships (i.e., the structure) whose absent I lamented above. Plain logic would be a major input in seeking principles, describing process, and defining terms. My embryonic model of the sequential (conversion, collation, correlation and projection), analytical phases in the production process is an example of what I mean by definitional analysis.

3. The candidates which follow, each accompanied by a thumbnail sketch, are by no means exhaustive, nor is it clear that PAO is the most appropriate organization to tackle many of the topics. Some are probably more appropriate to NFAC or external contractors. My feeling is that, whoever undertakes the analysis, the scope of any inquiry should be Community-wide.

4. The Process Diagram I've used to try to give some order to the topics is super-simple, but I think useful as a starting point. Refinements would make the functions more explicit (and a lot more numerous), recognize parallel process (i.e., for National and Tactical, the several collection disciplines and various subjects or projects within), and accommodate the time dimension.

THE INTELLIGENCE PROCESS
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Candidate Topics*

Function 1: Analyst Recruitment

- Characteristics and Qualifications of Production Analysts
 - Assemble community-wide inventory of analyst professional traits. Contrast current analyst population with past populations; other government professionals; professionals in kindred research fields. (Descriptive)
- Community's Competitive Position re New ^{Graduates} ~~Grads~~
 - Analyze Community's ability to attract highly qualified graduates. Develop and cost proposals for enhancing recruitment practices if applicable. (Prescriptive)

Function 2: Analyst Training and Support

- Programs to Enhance Analyst Training and Support
 - Draw a profile of the non-ADP programs, planned and underway, to promote analyst skills, expertise, morale and motivation. (Descriptive)
- NOTE: This study would pursue the objectives sketched in [redacted] memo of 13 November 1979.
- Value of Alternative Support Measures
 - Present programs include a wide range (sabbaticals, rotational assignments, incentive awards, etc.) of intuitively plausible techniques for promoting analyst performance. What is missing is any set of standards for gauging how much should be invested in each. In the absence of this kind of understanding, a little bit of everything gets tried. Somewhere out there, there must be a body of literature (hopefully including empirical studies) that addresses the

*Keyed to attached process diagram.

relationship between such measures, including the physical working environment, and average levels of professional performance. The suggestion here is to search for that information, identify it, and summarize the findings applicable to supporting intelligence analysts. (Prescriptive)

NOTE: This is probably a contract item.

Function 3: Use of External Contractors

• Level of Usage

Document the Community's current use of external contract support; contrast with past levels. Identify motives for using contractors (no in-house capability, desire for independent perspective, etc.). (Descriptive)

NOTE: PAO did something like this last year to respond to SSCI interest.

• Guidelines for Employing External Support

Formulate general principles governing the choice between internal and external analysis. (Definitional)

NOTE: This may be only a subset of the Resource Allocation Principles topic suggested below under Function 4. The issue of competing analysis is similarly a related one.

Quantity A: Analytical Capacity

• Measurement Methodology

Is there any reasonable way to quantify and compare the Community's capacity to produce intelligence on various subjects, in various geographic areas of interest. Existing management information systems can provide approximate data on the dollars and manpower that is being put into a particular subject-region

sector of the production organization, but can we implicitly assume that this relates in some homogenous way to our capacity to make things come out of that sector? Are some sectors inherently less efficient at transforming resource inputs to production capacity than others? If so, this should be recognized and accommodated in the resource allocation decision process. (Definitional)

Function 4: Production Management

• Topic Selection Mechanisms and Procedures

Document geneses of various analytical products. Discuss pros and cons of self-initiated studies. Describe Community-mechanisms for co-ordinating production activities (necessary to assure that parallel analytical efforts proceed only as a result of deliberate choice). (Descriptive)

• Producer - Collector Interactions

Identify major lines of communication between production sectors and their principal sources of information in the collection sphere. Survey producers for insights concerning bottlenecks to the timely flow of information and how they might be alleviated. (Descriptive - Prescriptive)

NOTE: Pilot survey now being conducted by [redacted] may contribute toward appraising feasibility of relating production activities to their collection sources.

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• Resource Allocation Methodology

Endeavor to set down a rigorous, truly cogent rationale for telling good redundant analysis from bad redundant analysis. Convert this conceptual foundation into plain English rules-of-thumb for guiding production managers in their decisions concerning commitment of the scarce analytical resources they control. (Definitional)

NOTE: This would expand on the analysis PAO did in response to the HPSCI request for such a rationale.

Quantity B: The Supply of Intelligence

• National Intelligence Product Line

Survey national intelligence producers for up-to-date data on their output: names and types of publications, distribution lists, release frequency, and the like. This study would be patterned on the PAID projects of previous years, with certain methodological improvements and, optimally, expanded to include the full range of trans-departmental products, not simply periodicals. (Descriptive)

NOTE: While of general interest value in its own right, this study would also be useful as a springboard for more ambitious efforts to relate costs to products, or to evaluate consumer satisfaction, if such studies were deemed worthwhile.

Function 5: Marketing and Product Evaluation

• Supply-Demand Correlations

Document and compare ten-year trends in the subject-regional demand for intelligence products, as reflected in changing patterns of DCID 1/2 priorities, and the allocation of production resources, as recorded in CIRIS. (Descriptive)

NOTE: I plan to write up this short study at the first opportunity. Most of the analysis has already been completed. A major caveat is the implicit assumption that what goes in (i.e., CIRIS dollars) is proportionate to what comes out (i.e., volume of intelligence products). See comments under "Quantity A".

• Practical Applications of Formal Priority Statements

Evaluate compatibility of subject emphases in the different (DCID 1/2, NITS, KIR) priority statements (i.e., demand proxies) now in existence. Survey procedures to ascertain impact of these documents in resource commitment decisions. Seek suggestions

for improving their applicability to this purpose. If there appear to be inherent major limitations with formal priority statements, what alternative methods might be employed to effectively communicate consumer interests to intelligence producers? Explore the suitability of incorporating expressions of the demand for intelligence in the program guidance, and in the budget deliberations. (Descriptive - Definitional)

- Mechanisms and Procedures for Product Evaluation

Ascertain how the Community now goes about evaluating the quality of its product, and the satisfaction of various consumers with it. Evaluate the desirability and feasibility of establishing mechanisms for effecting product evaluation and providing consumer feedback on a sustained basis. What standards would be applied? Are there intrinsic qualities to an analytical product, separate and distinct from the pleasure with which it is greeted by the consumer, which make it good or bad? (Definitional)

NOTE: The [redacted] survey previously cited may also contribute to understanding what, if any, differences might exist between analysis that is "good", and analysis that is "successful".

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Function 6: Distribution of Collected Information

- Influence of Impediments to the Distribution of Collected Information on the Quality of Analysis

Congressional committees have raised the compartmentation issue often. Additionally, there seems to be some sentiment among analysts that agencies tend to favor their own production components with preferential access to the information their collection components have acquired. How real is the perennial compartmentation issue (i.e., do the analysts themselves feel it is an impediment? Are informal channels available that mitigate its influence in denying information?), Are the competitive institutional obstacles important? What, if any, changes might facilitate the productive flow of inter-producer information? (Descriptive - Definitional)

Process-Wide

• Identification of Resource Bottlenecks (via case studies)

This effort, or series of efforts, would examine recent instances of particularly acute criticism of Community performance in search of examples of where the availability of more or different resources might have had a significantly beneficial effect. Delays in detecting a Soviet combat presence in Cuba, and North Korea's build-up of its ground forces, are two prime candidates for such analyses, which need not start from scratch (as in the traditional sense of a "post mortem"), but would rather draw heavily upon already completed investigations and reviews. The emphasis would be on specific resource solutions to what went wrong, and the general applicability of those solutions elsewhere in the production Community. (Prescriptive)

• Economic Model of the Intelligence Production Process

Studies such as the search for specific resource bottlenecks, above, presume some prior understanding of the sequential functions which constitute the production (in the broad, economic sense) process. While the existence of such a model is implicit in this and other topical issues, such as the balance between collection, (data) processing, and production (in the less broad, intelligence usage), the understanding has never been made explicit. Achieving a rigorous comprehensive representation of the intelligence process would be no mean undertaking, but basic research along this lines could, if successful, provide a fundamentally useful and enduring tool to successive generations of Community and program managers, not to mention production/analysis analysts. (Definitional)

NOTE: The model used to organize this paper is a rudimentary example of the kind of thing this study would seek to achieve.

- Functional Structure for the NFIP

Consumers tend to rate the Community's performance in a functional context on a case-by-case basis: How well did we do in providing indications and warning of some military gesture, or change in political status? What assurances can we make about our ability to confirm treaty compliance? What contributions to the operating forces can be expected in time of war? Can we provide the essential information they need in contingency operations? And so forth. Yet we have no ready means of associating the resources we consume, or plan to consume, with the missions at which we seek to excel. Collection operations are organized according to the form the data take (i.e., the INTs); production operations are organized by subject disciplines and geographic areas within disciplines. The budget is organized on the first tiers by organization, and by major collection system. In a nutshell, all of this makes it very hard to relate resource inputs to product outputs, to mission capabilities, to national security benefits (which are, after all, what we presume to be buying when we spend money on intelligence). Is there a better more functional way to organize our classification of resource distributions? Maybe not. Whatever the logical appeal of a PPBS-like structure, inputs may simply not be practically divisible in such a manner. But it might be worth some research to find out. (Definitional)

- The Roles and Requirements of Producers of S&T Intelligence

*ITAS STI Report
claimed 5 billion losses
in US & in major organizations
due to faulty STI guidance*

A study of alternatives for improving the production capabilities of S&T centers was proposed in the D/DCI/RM memo of 13 November 1979. Agreement to defer such an effort was subsequently reached yet a better understanding of how these producers function--the collection sources they draw upon, the kinds of products they distribute, and the market for those products (few seem to surface as entities at the national level, but many national products, particularly military ones, may incorporate S&T "intermediate goods")--could be of interest to Community management, which now reports that one-quarter (via CIRIS) to one-half (ZBB via the CJB) of the Community's total production budget is devoted to S&T subjects. (Descriptive - Prescriptive)

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Possible FY 81 Studies

1. Battlefield Exploitation and Target Acquisition (BETA) System: In its mark-up of the FY 81 NFIP Budget (p. 82), the HPSCI expressed its concern regarding BETA system cost growth and development problems. Since the HPSCI has made the joint BETA program an item of special interest, the DCI should be provided an independent IC Staff assessment of where the BETA program stands with respect to both cost growth and development problems.

2. Funding of Intelligence Systems. In its mark-up of the FY 81 NFIP Budget (pp. 42-43), the HPSCI noted "with alarm the increasing trend toward relying on DoD NFIP augmentation funding to provide needed tactical capabilities." Funding for needed tactical capabilities may soon be provided by anyone of five different sources: NFIP, joint funding arrangements outside of the NFIP, IRA, TCP or DRSP. Someone needs to stand back from the actual budget drill and look at the funding problem in an objective way (if it is possible). A comparative assessment of what is funded where and why; what might be funded where and why; and how this all relates to possible Congressional concern about the proliferation of funding mechanisms might provide some very interesting insights into where we might be headed in the late 1980's.

3. Intelligence Support for the Persian Gulf/Indian Ocean. In its mark-up of the FY 81 NFIP Budget, the SSCI recommended (p. 32) that the intelligence program should be strengthened to deal with the demands of the

4. Intelligence Support for the RDF. As a follow-on to our study on NFIP Support to Contingency Forces, it might be useful to have an IC Staff assessment of what type of intelligence support is being provided the RDF. Study should not be undertaken until later in the year after the RDF has had an opportunity to organize its resources.

5. DCID 1/2 Priorities. DCID 1/2 priorities are constantly being adjusted by users, producers and collectors of intelligence. PAO should undertake a study which focuses on some of the following questions: who proposes changes to the priorities and with what frequency; what causes someone to recommend changes in priorities; what, if any, impact is experienced when the priorities are in fact changed. In a recent letter, the Chairman of the SSCI asked the DCI to review "the DCID 1/2 priorities for the Caribbean and Central America as of 30 June 1979 and 15 July 1980 and what actions occurred in the interim." Changes in priorities for the period 1970-1980 could be the focus of the study.

6. Intelligence Community Support of the Congress, the Public and the Media. The Center for the Study of Intelligence recently (May 80) recommended that someone should undertake a study designed to explore at minimum the following questions:

Is the Intelligence Community best able to provide intelligence support to the Congress, or should the legislative branch have its own intelligence analysis system?

What is the impact of disseminating unclassified analysis to the public? Is this the best way to provide intelligence or should there be less emphasis on public disclosure of analysis?

Does the Intelligence Community have a responsibility to provide information to the media? If so, what is the best way to do this?

How does the dissemination of information to the media affect the presently contentious relationship that seems to exist between CIA and the press?

Since the impact of intelligence on each of these groups is recognized, the role of intelligence should be studied in a systematic manner.